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April 28, 2003

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Docket Control Arizona Corporation Commission 1200 W. Washington Street Phoenix, AZ 85007

RE: Docket No. E-00000A-02-0051 et. al. – Electric Competition Advisory Group, Second Quarterly Report

On September 10, 2003, in Decision No. 65154 ("Track A Decision"), the Commission ordered Staff to form an Electric Competition Advisory Group ("ECAG") and to prepare and file quarterly reports detailing the activities of the ECAG. This is the second report regarding the ECAG and covers the status of the group for the first quarter of 2003.

The purpose of the ECAG is to facilitate communication and information sharing among Staff, stakeholders, and market participants relating to events in the wholesale and retail marketplace, and to identify impediments to competition.

Since the last status report, the Arizona Corporation Commission's Utilities Division ("Utilities Division") has identified organizations and individuals who wish to participate in the group and has requested feedback from the group's members regarding issues relating to the retail competition rules and impediments to retail competition. Thirteen ECAG participants have submitted comments to Staff regarding the retail electric competition rules. Staff is in the process of researching the issues raised in the comments and will be preparing a summary of the comments to distribute to the group for discussion at the first meeting. The first meeting of the ECAG will be scheduled at a later date.

If you have any further questions, you can contact Erinn Andreasen of Staff at (602)542-0748.

Sincerely,

Ernest G. Johnson

Director

Utilities Division